

The Jimmy Carter Presidency (1977-1981)

Domestic Affairs

Jimmy Carter sought to run the country the way he had run his farm—with unassuming austerity. This would be no "imperial presidency" like those of Johnson and Nixon. On inauguration day, Carter got out of the limousine and walked to the White House, delighting the crowd and horrifying the Secret Service who sought to protect him. His inauguration outfit was a business suit not formal wear, and the inaugural festivities were low key. When Carter addressed the nation, he wore a cardigan sweater and adopted an air of studied informality.

Carter came from an unusual Southern political culture. While most Democratic politicians were "good ole boys," happy to participate in corrupt county courthouse rings and city machines, adept at backslapping and deal making, Carter came from the Wilsonian southern tradition, which was far different. He was a reformer and progressive, who put his faith in science and technology to advance the human condition, even as he retained his moral values from his deep religious faith. He thought political leadership should function for the common good, not to please a set of organized constituencies. Like Woodrow Wilson, he intended to act with honesty and candor, leading people by setting an example, and by asking them to reach a higher moral plane. He promised he would never lie to the American people.

Relations with Congress

The country desperately wanted the president to succeed. Carter began with a series of bold strokes. He pardoned Vietnam-era draft resisters, killed funding for the B-1 bomber airplane, and pushed for a comprehensive consumer-protection bill. His opposition to a traditional rivers and harbors "pork barrel" bill early in his term was fiercely resisted by his own congressional leaders. He had to back down, but his charges that these bills were wasteful and corrupt left a bad taste in the mouths of the legislators with whom he would have to deal.

As when he was governor, Carter had an abiding dislike for the backroom dealing that is so pervasive in Washington. Congress which found the new president hard to deal with, quickly sensed his shallow public support. With this knowledge, Congress asserted its power over the president by shooting down the consumer-protection bill and the labor reform package. Carter responded by vetoing a public works package in 1978 on the grounds that it was inflationary. A pattern of mutual distrust and contempt had been set. When Congress transformed his tax plan into new favors for special interests, Carter called the taxing committees "a pack of ravenous wolves."

Carter did have some successes with Congress, but often because he backed existing Democratic programs, such as raising the minimum wage. The president did have success with his own program to deregulate the airline, trucking, and railroad industries, which eventually resulted in lower transportation costs for industry and consumers. He also got Congress to establish a "superfund" to clean up toxic waste sites.

Energy Policy Success

Carter's main achievement involved energy policy, though he would receive little credit for it during his term. Despite the lip service paid by American presidents to reducing energy dependence, U.S. oil imports had shot up 65 percent annually since 1973. In 1976 the nation was consuming one-quarter of all Organization of Petroleum Exporting Countries (OPEC) production. The U.S. remained wasteful in energy use, with consumption per capita 2.3 times the average for nations in the European Economic Community and 2.6 times Japan's. Carter set out to reduce this dependence.

The president got Congress to pass the Emergency Natural Gas Act, which would authorize the national government to allocate interstate natural gas. He created a Department of Energy to regulate existing energy suppliers and fund research on new sources of energy, particularly sustainable (wind and solar power) and ecologically sound sources. His Energy Security Act created the U.S. Synthetic Fuels Corporation, which would provide \$20 billion in joint ventures with private industry. Carter signed his first energy package into law on November 9, 1978. The deregulation of oil and natural gas prices that resulted would lead to a vast increase in the supply of energy in the 1980s, and consequently a lowering of prices.

During Carter's term, however, the actions of the OPEC oil cartel (foreign oil producers) resulted in an increase in oil prices, from \$13 a barrel to over \$34. With America so dependent on oil, this huge price increase resulted in a run-up in inflation. Carter asked Congress to accelerate stockpiling 500 million barrels of crude oil in a national security reserve, setting target date by end of 1980 instead of 1982 (the deadline set by the Ford administration). The administration also developed new conservation measures that would sharply reduce industry's use of fuels, as well as automobile mileage standards. Strip mining would now be regulated by the Surface Mining Control and Reclamation Act, a victory for environmentalists.

Carter had other successes in energy policy, particularly in nuclear energy policy, in which he was an expert. He got Congress to abolish the powerful Joint Committee on Atomic Energy, a step that would make it easier to block breeder reactors and move toward light-water reactors of the kind favored by the administration. Carter won his route for a soon to be constructed oil pipeline in Alaska. He killed funding for the Clinch River Breeder Reactor, because the plutonium

reactor technology would increase the risk of nuclear proliferation if adopted elsewhere in the world. Instead, Congress authorized and funded a shutdown of the reactor.

By April 1980, he had gotten much of his second energy package through, including a Crude Oil Windfall Profits Tax (with revenues designated for the general Treasury but not for specific energy projects), which would expire in 1993 or before, if the full amount of \$227 billion had been collected. But there were two major defeats: Congress overrode a presidential veto of a bill that Congress had passed repealing a \$4.62 per barrel oil import fee—the first time in twenty-eight years that a Congress had overridden a veto by a president from the majority party. It also defeated the Energy Mobilization Board that Carter had proposed to cut through "red tape" in developing new sources of energy.

While Americans had to endure long gas lines during the summer of 1979 and higher prices at the pump—effects of the Iranian revolution of that same year—Carter's program by and large worked. Consumption of foreign oil did go down, from 48 percent when Carter took office to 40 percent in 1980, with a reduction of 1.8 million barrels a day. When Carter left office there were high inventories of oil and a surplus of natural gas, delivered by a more rational distribution system. There was greater oil exploration than before, leading eventually to an oil glut and a drop in prices—which Carter's Department of Energy had not predicted. Between 1980 and 1985, domestic production would increase by almost 1 million barrels a day, while imports of crude oil and petroleum products declined from 8.2 to 4.5 million barrels a day. His goal of reducing U.S. dependency on foreign sources succeeded, at least temporarily.

Poor Media Image

But Carter was given little credit for these accomplishments. The energy program was complex, and no one could understand what was happening. But energy prices and taxes were going up, and that was easily understandable. Carter worsened his image problem by giving the so-called "malaise" (a French word meaning illness) speech, in which he described a lack of confidence in America's purpose and its future. In addition to admitting that people lacked confidence in his leadership, Carter blamed the crisis of America's spirit on the American people themselves. He then compounded his difficulties by firing four cabinet secretaries, transferring several others, and asking for resignations of dozens of lower level officials. Media commentators wondered if Carter was losing his grip. He went down sharply in the polls and never recovered from the "malaise" speech.

Carter gained a reputation for political ineptitude, even though his actual record in dealing with Congress belied that image. His success rate in getting presidential initiatives through Congress was much higher than that of his predecessors Eisenhower, Nixon, Ford, and successors Reagan and Bush. One might expect a president with a majority in Congress to do better than presidents facing the opposition party majorities. But Carter was also close to Johnson's success rates. Carter did not like to bargain and appeared arrogant and aloof, but at the end of the day, he usually wound up with much of what he sought from Congress. His major problem was that the perception of his leadership did not correspond with the reality of his performance.

Scandal and Personal Embarrassments

Again and again during the campaign, Carter had presented himself as a man of honesty. Americans for the most part believed in their president, but the trust did not extend to some key members of his administration. His budget director had to be fired a year into the administration when he was connected to unsavory banking practices in Georgia. Later Lance was exonerated. There were allegations that Carter's treasury secretary had allowed a company he chaired to conduct illegal payoffs in doing business. Moreover, the president's chief of staff was accused of using cocaine in the White House. Eventually these charges too were shown to be false, but the damage to Carter's own reputation for honesty remained.

The president's negative press coverage also touched Carter's family. His sister, Ruth Carter Stapleton, appeared in public holding hands with a notorious pornographer, claiming she had converted him to Christianity. Billy Carter, the president's younger brother, quickly became

Read Bert Lance's
Oral History interview.

nightly fodder for talk-show comedians with his country-boy image. He marketed his own brand of beer ("Billy Beer") and booked public appearances at bottom-barrel events. Then something not so harmless came to light about him. Libya—a nation that had sponsored terrorism for years—had given Billy Carter nearly \$250,000 for an undisclosed reason. The Senate began an investigation of the matter, and the president's embarrassments dragged on.

Even without the scandals, Carter would not have had good press relations. He seemed aloof and condescending, stiff and impersonal with reporters. They chafed at his moralistic, "eat your peas" attitudes, and portrayed him either as either a cynical and manipulative politician or an amateurish incompetent. Carter was not physically clumsy like Ford, but his media images always came out wrong. On one vacation trip, photographers were asked to tag along to get some good photos of Carter relaxing. What they shot (and what networks covered that evening) was Carter trying to beat off a pesky rabbit from a canoeing expedition—and almost tipping over his boat in the process. If any president can be said to have had plain bad luck in dealing with the media, it was Carter.

Foreign Affairs

Before assuming the presidency, Jimmy Carter had been a one-term governor of a southern state with no national or international experience. He did, however, have his own foreign policy goals. Carter believed in the rule of law in international affairs and in the principle of self-determination for all people. Moreover, he wanted the United States to take the lead in promoting universal human rights. Carter believed that American power should be exercised sparingly and that the United States should avoid military interventions as much as possible. Finally, he hoped that American relations with the Soviet Union would continue to improve and that the two nations could come to economic and arms control agreements that would relax Cold War tensions.

During his campaign, Carter's aides claimed he would govern in a different way, specifically, that he would not appoint Washington insiders to top foreign policy positions. Once elected, however, Carter recognized that he needed experts around him to conduct his foreign policy. He named Columbia University professor Zbigniew Brzezinski as his national security adviser and former Defense Department official and Johnson administration diplomatic troubleshooter Cyrus Vance as secretary of state. While Brzezinski and Vance both were experienced foreign policy hands, they had different strengths and worldviews. Brzezinski, a vigorously anti-communist Polish émigré who consistently advised a tough line towards the Soviet Union, served as the administration's foreign policy "idea man." Vance, on the other hand, had strong managerial skills and was known for his cautious and patient diplomacy. Brzezinski and Vance clashed throughout the Carter presidency over the tactics, strategies, and goals of the administration's foreign policy.

Human Rights

Carter came to the White House determined to make human rights considerations integral to U.S. foreign policy. In part, this desire stemmed from practical politics: Carter's promises during the 1976 campaign that his administration would highlight human rights proved popular with the voting public. Just as important, Carter's emphasis on human rights was consistent with his own beliefs on the necessity of living one's life in a moral way.

What did Carter mean when he claimed that he would make human rights a key part of American foreign policy? Early in his presidency, Carter explained that U.S. support for human rights involved promoting "human freedom" worldwide and protecting "the individual from the arbitrary power of the state." These principles grew out of the United Nation's 1948 "Universal Declaration of Human Rights," which established the foundation of the modern human rights movement. Carter believed in holding accountable America's allies as well as its adversaries for their human rights failings, an approach that risked straining relations with friends and widening existing rifts with foes. These were risks Carter was willing to take.

The Carter administration's human rights record was mixed. The President and his advisers denounced human rights violations by the Soviet Union and its East European allies. In addition, American allies like South Korea also came under tough criticism for repressing democratic dissent. Moreover, the United States took tangible actions—including the suspension of military or economic aid—to protest the human rights practices of the governments of Chile, El Salvador, Nicaragua, and Uganda. On the other hand, the Carter administration toned down its human-rights based criticisms of the Soviet Union after the Brezhnev government threatened to end arms control talks. Moreover, Carter refused to halt the sale of military supplies to Iran, whose government violently repressed its opponents, even though some of his advisers urged him to do so.

The legacies of Carter's human rights gambits were just as mixed as their practice. Carter, more than any previous President, injected human rights considerations into American foreign policy, legitimizing these concerns in the process. But conservative Republicans like Jeanne Kirkpatrick, who would become U.S. representative to the United Nations in the Reagan administration, skillfully and successfully attacked Carter for supposedly undercutting American allies by criticizing their human rights' shortcomings. These attacks proved harmful to Carter during the 1980 election.

The Panama Canal

One of Carter's first challenges involved the U.S. role in Panama. A 1904 treaty negotiated by President Theodore Roosevelt permitted the U.S. to use and occupy the Panama Canal Zone, a strip of land adjacent to the Panama Canal, which opened in 1914. In 1936 President Franklin Roosevelt, as part of the "good neighbor policy" had dropped the U.S. claim to have the right to protect American lives and property in Panamanian cities. In 1964, after anti-American riots by Panamanian students, the U.S. and Panama agreed to negotiate on the future status of the zone. These negotiations were based on "eight principles" agreed to by Henry Kissinger in 1974, providing for Panamanian operation of the canal by 1999, and an end to U.S. occupation of the zone, thereby establishing Panamanian sovereignty. Carter did not prove an adept negotiator. His delegation did not include any U.S. senators, and he did not keep them well informed until August 1977 when an "Agreement in Principle" was signed with Panama.

Conservatives organized grassroots opposition to the treaty, which Carter tried to counter by enlisting support from former presidents and giving a "fireside chat" to the American people. In Senate hearings Secretary of State Vance claimed that the U.S. could unilaterally defend the canal, but Panama's chief treaty negotiator, Romulo Escobar, denied that the U.S. would have any right to intervene after the treaty was ratified. Senators Robert Byrd and Howard Baker then sponsored a bipartisan "leadership amendment" defining U.S. rights to defend the canal. Eventually the agreement passed

the Senate, but only after amendments granting the U.S. the right to intervene had been introduced by Senator Dennis DeConcini and accepted reluctantly by Panamanian president Omar Torrijos. It was a humiliating moment for Carter and Vance, even though they had won treaty approval.

Thereafter Republicans would attack Carter for being "weak" and for "giving away" the Panama Canal, a theme that would play particularly well in the southern states in the midterm elections in 1978 and the presidential elections in 1980. Carter had demonstrated great courage in concluding the negotiations: public opinion polls showed three-quarters of the American people were opposed to it.

Camp David Accords

The greatest foreign policy success of the Carter presidency involved the Middle East. After the Yom Kippur War of 1973 between Israel and its Arab enemies, Egypt and Syria, the Israelis had gradually disengaged their forces and moved a distance back in the Sinai Peninsula. They were still occupying Egyptian territory, however, and there was no peace between these adversaries. In the fall of 1978, Carter invited Israel's Prime Minister Menachem Begin and Egypt's President Anwar Sadat to sit down with Carter at Camp David, a rural presidential retreat outside Washington. Between September 5 and September 17, 1978, Carter shuttled between Israeli and Egyptian delegations, hammering out the terms of peace. Consequently, Begin and Sadat reached a historic agreement: Israel would withdraw from the entire Sinai Peninsula; the U.S. would establish monitoring posts to ensure that neither side attacked the other; Israel and Egypt would recognize each other's governments and sign a peace treaty; and Israel pledged to negotiate with the Palestinians for peace.

Not since Theodore Roosevelt's efforts to end the Russo-Japanese War in 1905 had a president so effectively mediated a dispute between two other nations. Begin made several concessions to Carter, including agreeing to the principle of Egyptian sovereignty over the entire Sinai, and complete Israeli withdrawal from all military facilities and settlements. In return, Carter agreed to provide Israel with funds to rebuild Israeli military bases in the Negev Desert. Because Sadat and Carter had positions that were quite close, the two men became good friends as the conference progressed. Sadat also made some concessions to Carter, which alienated some of his own delegation. His prime minister resigned at the end, believing that Sadat had been outmaneuvered by the Americans and Israelis.

The Camp David Accords, initialed on September 17, 1978 and formally signed in Washington on March 26, 1979, were the most significant foreign policy achievement of the Carter administration, and supporters hoped it would revive his struggling presidency. Although Begin and Sadat received the Nobel Peace Prize in 1979 for this action, Carter received no significant political benefit from this achievement.

Relations with the Soviet Union

Carter hoped to continue the policy of détente with the Soviet Union, but his appointment to the National Security Council (NSC) post of Brzezinski gave him an adviser who was profoundly suspicious of Soviet motives, and led Carter into several major confrontations with the Russians. Carter ordered a massive five-year defense buildup that the Soviets found provocative. In turn, the Soviet invasion of Afghanistan to quash a Muslim-based rebellion outraged the United States. The guerrilla war that ensued put a crimp in arms control talks between Moscow and Washington. The two sides had signed SALT II, a treaty limiting the deployment of nuclear missiles, and the treaty had been sent to the Senate. After the invasion it was clear that the Senate would take no action. Carter withdrew the treaty, but Moscow and Washington agreed to abide by its terms, even though neither side ratified it.

In retaliation for the USSR invading Afghanistan, Carter cut off grain sales to the Soviet Union and ordered a boycott of the 1980 Moscow Summer Olympic Games by U.S. athletes. Because much of the public considered this to be more punitive towards American swimmers and runners than Soviet leaders, Carter's response only reinforced his weak image.

Recognition of China

Carter continued to expand American contacts with communist China, granting the communist regime formal diplomatic recognition on January 1, 1979. To do so required the severing of diplomatic ties and withdrawal of recognition of non-communist Taiwan (also known as the Republic of China). Moreover, Carter unilaterally revoked the 1955 Mutual Defense Treaty with the Republic of China, effective January 1, 1980. Carter's treaty abrogation was challenged in the federal courts by conservative Republicans. In the federal district court his opponent's won. However, in an appeals court the government's position that Carter had the power to abrogate the treaty without Senate consent prevailed. The Supreme Court then threw the entire case out without rendering any decision (on a technicality involving the standing to sue of Republican Senator Barry Goldwater), thus leaving the constitutional victory with the president by default. Carter's recognition of China significantly reduced tensions in East Asia. Hard-liners in China were replaced by communists who were more interested in economic growth than in military confrontations. Beneficial trade relations were established between China and the U.S., leading to huge imports of finished consumer goods from China, in return for U.S. lumber and foodstuffs.

To substitute for diplomatic relations with Taiwan, Congress passed the Taiwan Relations Act. It provided for the creation of an American Institute on Taiwan, which bought the old American embassy. Institute staffers consisted of newly retired American foreign service officers experienced in Far Eastern Affairs. Taiwan established a corresponding institute in Washington, D.C., staffed with its retired diplomats. Thus each side continued with quasi-diplomatic relations, even though the pretense was that they had cut off the relationship. The U.S. continued to supply arms to Taiwan to defend itself from the mainland, a step that kept some friction in U.S.-Chinese relations.

The Iran Hostage Crisis

Iran had become important to the 20th century chessboard for two reasons. Oil had been discovered there in 1909, and it was considered the geographic cork that kept Russia in the Asian bottle and out of the Middle East. The British, through Anglo-Dutch Shell Oil, had reaped Iranian oil for almost nothing through mid-century, but in 1951 a volatile new prime minister, Mohammad Mossadeq, threw them out. The American government became concerned that Iran was now ripe for a Soviet takeover. The Central Intelligence Agency staged a coup that toppled the prime minister and restored power to the Pahlavi ruling dynasty, whose monarch at the time had been reduced to a figurehead under Mossadeq. This leader, Mohammad Reza Shah Pahlava, ("Shah" meaning "ruler") was allowed to govern once rights to 80 percent of the oil were ceded (transferred) to American and British interests. This made the Shah a Western puppet in the eyes of many Iranians.

But the Shah, emboldened by American support over the years, became increasingly tyrannical towards his people. He outlawed rival political factions and deployed one of the world's most feared secret police agencies. This resulted in countless human rights violations. By the time of the Carter presidency, discontent with the Shah was widespread in Iran, and so was civil disorder. The Shah's most virulent opposition was led by a radical Islamic group that wanted to create a government adhering more strictly to their faith's teachings. Their supreme religious leader, Ayatollah Khomeini, had been in exile in Paris for fifteen years. But by early 1979 the conservative Islamic movement had become so strong that the Shah was forced to flee Iran and turn over power to a new group of Western oriented technocrats. The Ayatollah returned to his homeland soon afterward and was instantly installed by a million Iranians marching on the capital as the nation's undisputed leader.

The Shah was now in exile in Mexico, dying from cancer, and President Carter allowed him to come to the United States for refuge and medical treatment. This enraged Muslim fundamentalists in Iran. In November 1979, Islamic student militants loyal to the Ayatollah overran the American embassy in Teheran, Iran's capital. They seized sixty-six Americans and held them hostage, demanding the Shah's return to stand trial. In addition they demanded money and property that the Shah had stashed outside Iran, and an apology from America, who they considered "The Great Satan."

Carter took immediate action. He froze billions of dollars of Iranian assets in the United States, then began secret negotiations, but nothing worked. The manner in which television network news reported on the crisis served to build up America's frustration. Mobs burned the American flag and shouted "Marg bar Amerika" ("Death to America") on nightly television news broadcasts in Iran. These film clips were rebroadcast in the United States, creating feelings of apprehension for the hostages and anger at Iran. By counting the number of days that the hostages had been held in captivity, nightly announcements such as "America Held Hostage, Day Eighty-nine" focused on the prolonged aspect of the situation. Americans grew impatient with the seemingly ineffective president who could not win the hostages' release. The Iranians heightened this political tension by making bright promises and then going back on them almost daily.

Finally, Carter approved a secret military mission to attempt to free the hostages. Unfortunately, three of the eight helicopters carrying the assault force developed mechanical problems. One crashed into a transport aircraft in a remote desert in Iran, killing eight soldiers. After the failure, Iran dispersed the hostages to hideouts throughout the country, making rescue impossible. The failure of the rescue mission doomed Carter politically. It seemed to reinforce the widespread notion that he could not get things done, and that America had lost its edge. His approval rating dropped badly and he was up for reelection within a year, when Republicans would make a major issue of his performance in the crisis. Near the end of his administration Carter concluded an agreement that led to the release of the hostages. His executive agreement with Iran specified that the U.S. would unblock all Iranian funds, and the U.S. and Iran would utilize a tribunal at the Hague, Netherlands, to settle their financial claims. The U.S. also promised not to interfere in the internal affairs of Iran. In return, Iran agreed to release the hostages. The U.S. embassy subsequently became a training camp for the Revolutionary Guards, the most militant and most anti-American wing of the groups backing the Islamic regime.

